GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1004
ANSWERED ON:29.07.2005
SIMPLIFYING THE PROCEDURE OF RELEASING MONEY OF THE DECEASED DEPOSITORS QUESTION
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of FINANCE be pleased to state:

(a) whether many of the banks have not promptly released the balance amounts from the deceased depositors accounts to survivors names in either `survivor or nominee` clause;

(b) if so, the reasons therefor;

(c) whether RBI has issued any instructions to banks to simplify the procedures regarding the same; and

(d) if so, the details thereof and the compliance of the banks in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (d) :- Committee on Procedure and Performance Audit on Public Services (CPPAPS) constituted by Reserve Bank of India (RBI) observed that the tortuous procedures, particularly those applicable to the family of a deceased depositor, caused considerable distress to such family members. In the light of the recommendations of the CPPAPS, RBI have issued instructions on 09th June, 2005 to banks for compliance which include access to balance in deposit accounts, premature termination of term deposit accounts, treatment of flows in the name of deceased depositor, access to the safe deposit lockers/safe custody articles, time limit for settlement of claims, customer guidance and publicity etc.